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# Viewing cable 09TELAVIV1688, PM A/S SHAPIRO'S JULY 22-23 VISIT TO ISRAEL

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SIPDIS

E.O. 12958: DECL: 07/30/2019

TAGS: <u>PREL PGOV MOPS PTER EG CH IR SA LE IS</u> SUBJECT: PM A/S SHAPIRO'S JULY 22-23 VISIT TO ISRAEL

REF: GRUBB-MILLER 07/22/09 E-MAIL

Classified By: DCM Luis G. Moreno, reasons 1.4 (b),(d)

- 11. (S) Summary: Assistant Secretary for Political-Military Affairs Andrew Shapiro met with a number of GOI officials on July 22-23 to stress the importance of the U.S.-Israeli political-military relationship, and to discuss among other issues Israel's Qualitative Military Edge (QME). GOI interlocutors continued to press for the opportunity to review the QME report prior to its submission to Congress, and presented an official response to a U.S. non-paper on potential arms transfers to Arab countries. In that respect, the MOD proposed technical discussions in Washington on August 3 to further discuss GOI concerns over the potential F-15SA transfer to Saudi Arabia. GOI officials continued to express reservations regarding U.S. arms transfers to Lebanon, and requested the opportunity to further discuss U.S. strategy and intentions with respect to the Lebanese Armed Forces. GOI interlocutors raised continued concerns over the Iranian nuclear weapons program, noting that any policy of engagement be done in conjunction with tougher sanctions and for a finite period of time before turning to other "options on the table." Other issues raised by GOI officials included the Peace Process, Israel's export control system, and potential Israeli exports to China. Both sides agreed in principle to the next session of the Joint Political Military Group (JPMG) in October or early November in Israel. End summary.
- 12. (SBU) On July 22, A/S Shapiro met with MOD Director General Pinchas Buchris, MOD Political-Military Director Amos Gilad, Defense Export Control Directorate Chief Eli Pincu, and participated in a roundtable discussion led by J5 Strategic Division Chief Brigadier General Yossi Heymann. At the MFA on July 23, A/S Shapiro met with Director General Yossi Gal and participated in a roundtable discussion led by Deputy Director General for Strategic Affairs Alon Bar and Export Control Director Roey Gilad. A/S Shapiro also participated in a strategic tour of Israel, and visited Israeli defense company Plasan-Sasa.

## U.S.-Israeli Relationship

13. (SBU) A/S Shapiro stressed the importance of the U.S-Israeli political-military relationship, noting the significance of visiting Israel on his first overseas trip in his capacity as Assistant Secretary for the Political-Military Affairs Bureau. GOI interlocutors appreciated the opportunity to resume dialogue on this important aspect of the U.S.-Israeli relationship. MOD DG Buchris noted the two still relatively new administrations in the United States and Israel, and the importance of limiting the number of misunderstandings in the future.

Qualitative Military Edge -----

14. (S) GOI officials reiterated the importance of maintaining Israel's Qualitative Military Edge (QME). They said that Israel understands U.S. policy intentions to arm moderate

Arab states in the region to counter the Iranian threat, and prefers such sales originate from the United States instead of other countries like Russia or China. However, Israel continues to stress the importance of identifying potential risks that may become future threats or adversaries, and for this reason maintains several objections as indicated in the official GOI response to the QME non-paper on potential U.S. arms sales to the region (ref e-mail to PM/RSAT separately).

- 15. (S) GOI officials also expressed continued interest in reviewing the QME report prior to its submission to Congress. A/S Shapiro reiterated that the report was based on an assessment from the intelligence community, and therefore not releasable to the GOI. He referenced previous points made to the Israeli embassy in Washington regarding the report, and welcomed any comments the GOI might have -- although such comments should be delivered as soon as possible as the report is already overdue. Israeli interlocutors appreciated the classified nature of the report, but also made clear it was difficult to comment on the report's results without reviewing its content or intelligence assessment. In that respect, Buchris and other GOI officials requested that the QME process be reviewed in light of future QME reports.
- 16. (S) GOI interlocutors attempted to make the argument that moderate Arab countries could in the future become adversaries -- and that this should be taken into account in the QME process. During a roundtable discussion led by the MFA's Deputy Director General for Strategic Affairs Alon Bar, the MFA's Center for Policy Research gave intelligence briefs on Saudi Arabia, Egypt, and Lebanon to further support the argument that these countries could become future foes. Policy Research Center interlocutors reviewed succession concerns in both Saudi Arabia and Egypt. Bar argued that a perceived closure in the capability gap between Israel and Arab states, coupled with a nuclear-armed Iran, could compel moderate Arab states to reassess the notion that Israel was a fixture in the region.
- ¶7. (S) Typically frank, MOD Political-Military Chief Amos Gilad was not certain how much longer Egyptian President Mubarak would live, and questioned whether his son Gamal was ready to assume command. Gilad said the Egyptian military led by Defense Minister Tantawi continues to train and exercise as if "Israel was its only enemy." He added that there were disturbing signs on the Egyptian streets, as women are dressed more conservatively, and that peace with Israel "is too thin, too superficial." On Saudi Arabia, Gilad said that King Abdullah does not hate Israel, but his chief priority is the survival of the regime.
- 18. (S) The GOI official response to the arms transfer non-paper includes several objections, such as the potential transfer of systems for the F-15SA to Saudi Arabia, including the Enhanced Paveway II, Joint Helmet Mounted Cueing System, and AESA radar. Buchris said the GOI is ready to establish a working group to discuss the F-15SA transfer, and proposed an Israeli technical team accompany BG Heymann to Washington (in town for a missile defense meeting) on August 3 to discuss the issue further. Buchris said the sale of the F-15SA was not the problem, but rather the weapons systems included on the planes and the location of the planes in Saudi Arabia.

#### Lebanon

19. (S) The GOI remains concerned about U.S. arms transfers to the Lebanese Armed Forces (LAF), and has requested the opportunity to discuss further U.S. intentions regarding the LAF. A/S Shapiro said the results of the Lebanese elections represented a turning point, and rejection of Hizballah and its Iranian sponsors. The need to build up Lebanese institutions, including the army, was now more important than ever, he argued. A/S Shapiro said the LAF has thus far demonstrated a solid record of accounting for U.S. systems transferred to Lebanon.

110. (S) Buchris acknowledged that the elections in Lebanon

were positive, but countered that Hizballah's influence remains strong. He argued that items such as the Cessna Caravan and the Raven unmanned aerial vehicle (UAV) lack sufficient mitigation measures, which creates the potential for an incident along the Israel-Lebanese border. Amos Gilad said the GOI does not believe the LAF will attack Israel. However, given the ties between Hizballah and the LAF, he was certain the IDF would eventually face the LAF in any conflict with Hizballah.

- 111. (S) Analysts from the MFA's Center for Policy Research argued there has been no dramatic change in the political arena despite the March 14 coalition's significant victory in the elections. They said the fragile political situation in Lebanon is currently stable, but Hizballah still possesses an unofficial veto over policy. Long term prospects will be tested by the Hariri Tribunal and Hizballah's desire for a reprisal to the 2008 Mughniyeh assassination. MFA Policy Research analysts further argued that the LAF faces tremendous pressure following the recent explosion of a Hizballah arms cache near the Lebanese-Israeli border. MFA DG Yossi Gal noted that UNIFIL had been prevented from investigating the explosion, and raised the recent crossing by Lebanese citizens into Israeli territory to plant Lebanese and Hizballah flags. He said French and Italian delegations had praised the GOI's restraint in these cases.
- 112. (S) A/S Shapiro asked if the election results might be the result in part of a backlash in the Christian community against Hizballah; the Policy Research analysts countered that the results were indicative of several factors, including the influx of Saudi money and an unstable opposition camp. They agreed that Hizballah leader Nasrallah might be a bit chastened following the elections, as suggested by A/S Shapiro, but that Hizballah continues to try and undermine the March 14 coalition.
- 113. (S) During the MOD roundtable discussion, BG Heymann also acknowledged the positive results of the elections. However, he feared the outcome did not represent the real power of the Shi'ites in Lebanon. He agreed that moderates and the LAF must be strengthened, but expressed deep concerns about ongoing cooperation between Hizballah and the LAF. He also said that such aid to Lebanon be paired with efforts to halt smuggling and directly weaken Hizballah.
- ¶14. (S) BG Heymann also cited concerns regarding mitigation measures for the Caravan and Raven in order to prevent an "accidental engagement" by the IAF. Overall, he was skeptical that these systems would benefit the LAF, and said the GOI would appreciate a more in-depth conversation regarding U.S. intentions and overarching strategy with respect to the LAF. Heymann suggested further talks to coincide with the August 3rd F-15 technical discussion in Washington; MFA DDG Bar echoed this request. A/S Shapiro offered to take that back to Washington for review. If it proved too difficult on short notice to bring together interagency experts to discuss US intentions with the LAF, A/S Shapiro suggested it be included in the Joint Political Military Group talks later in the fall.

# Iran

115. (S) Iran's pursuit of nuclear weapons remains the GOI's primary focus. Buchris stated bluntly that it was not clear to him where U.S. policy was heading with regard to Iran. In separate meetings, Buchris and Amos Gilad said that Israel's preeminent priority is to prevent Iran's nuclear weapons program, which if realized would cause a nuclear arms race across the Middle East as Saudi Arabia, Turkey and Egypt pursue similar programs in response. Gilad was skeptical

that engagement would work, noting Iranian desires to "establish a new empire" and pointing to Iranian support for Hizballah and "Hamastan." Buchris added that the United States' desire to engage with Iran should be accompanied by tough sanctions, and only pursued for a finite period of

time; MFA DG Gal concurred. Alluding to a potential military strike, Buchris said "all options must remain on the table," and acknowledged that part of his job was insuring Israel was ready to employ such an option, no matter how undesirable it may be.

- ¶16. (S) A/S Shapiro made clear that a nuclear armed Iran was unacceptable to the United States. He referenced Secretary Clinton's July 15 foreign policy address at the Council on Foreign Relations, noting the offer of engagement with Iran but reinforcing that such an offer is not indefinite. A/S Shapiro argued that an Iranian rejection of our offer to engage will only help bolster international support for increased sanctions. He also pointed to the uncertain situation following the Iranian elections it was unclear at this point how the regime in Tehran will react to our offer of engagement. That said, he repeated that the engagement offer was not unlimited, noting that the United States will reassess its engagement strategy with Iran later this fall.
- 117. (S) A/S Shapiro cited a commonality of interests with the Gulf States, which also view Iran as the preeminent threat -- we should take advantage of this commonality, he said. During the J5 roundtable discussion, IDF interlocutors expressed skepticism that proposed military assistance to the Gulf would help against Iran, as some of the systems slated for delivery are not designed to counter the threats, nuclear and asymmetrical, posed by Iran. A/S Shapiro agreed that assistance to Gulf states should not diminish Israel's QME, but argued that it sends a signal to those countries (as well as Iran) that they have strong allies in the West. It also helps convince these regimes that their best interests lie with the moderate camp rather than with Iran.
- 118. (S) Buchris said the lack of an appointed U.S. special envoy focusing on Iran suggested the United States did not believe Iran was a priority. A/S Shapiro reassured Buchris that Iran was a top priority as President Obama and Secretary Clinton are intensely focused on Iran. The fact that Tehran has not responded to our offer of engagement makes a special envoy responsible for negotiations not as important, A/S Shapiro said -- in any case, much of the discussion will be behind the scenes.
- 119. (S) Buchris referenced a press report from Secretary Clinton's trip to Jakarta in which she said the United States would consider providing a defense umbrella for moderate Arab countries in the Middle East should Iran acquire a nuclear weapon. Buchris argued that such a statement already conceded the idea of a nuclear-armed Iran. MFA Deputy Director General for Strategic Affairs Alon Bar also raised the Secretary's Jakarta statement; A/S Shapiro stated that the Secretary's comments did not indicate a new policy approach, but were meant as a deterrent factor toward Iran's nuclear weapons ambitions -- not as a concession -- and that journalists covering the trip attempted to make more out of the statement than was intended.
- ¶20. (S) Amos Gilad referenced Russia's potential sale of the S-300 missile system to Iran, noting that Russian interlocutors initially denied the S-300 contract with Iran, and then later admitted it had been signed but added that the system would not be delivered for political reasons. However, Gilad said the Russians would reassess this political calculation should the United States continue to pursue missile defense plans in Poland and the Czech Republic. He speculated that the Iranians would continue to put pressure on Russia to sell the system rather than pursue alternative Chinese systems. He said the Russians appear committed to preventing Iran from acquiring nuclear weapons, but he personally had doubts about their intelligence capabilities following their lack of knowledge regarding the Syrian nuclear project.

121. (S) Buchris acknowledged that the Palestinian Authority was doing a "good job" in the West Bank, noting respect for Palestinian Security Forces (PASF) as they take more control of security -- giving them the chance to succeed was important, Buchris said. He also commended the work of United States Security Coordinator Gen. Dayton in training the PASF. That said, Buchris argued the way ahead would be difficult, given the divide between Hamas and Fatah. Reconciliation talks between the two have stalled -- Amos Gilad said both sides are "more interested in swallowing one another" than negotiating. Behind the scenes discussions with Hamas by European countries and even U.S. visitors have not helped the situation, Buchris said. A/S Shapiro deferred to Special Envoy Sen. George Mitchell's efforts, but noted Secretary Clinton's point that a stronger PA will offer an alternative to Hamas. He also stressed Secretary Clinton's remarks during her July 15 speech that the United States will not engage with Hamas unless it has accepted the Quartet principles.

# Export Control

- 122. (C) MOD Defense Export Control Directorate (DECD) Chief Eli Pincu reviewed the export control system, emphasizing an improved process, but also acknowledging the potential for improvement. He gave a brief presentation regarding Israeli export controls, including enhanced legislation, cross-ministry coordination, enhanced enforcement, and increased industry outreach and training. He noted 780 registered exporters in Israel; for 2009, 31,373 marketing licenses had thus far been issued, with 1,198 denials and 219 returned without action. MFA Export Control Director Roey Gilad stressed the partnership between the MOD and MFA on export licenses, and explained the system's dispute resolution mechanism in the event the MFA and MOD disagree on a particular case.
- 123. (C) Both Pincu and Roey Gilad noted that the GOI continues to seek assistance in closing export control loopholes, including brokering. Pincu noted that brokering had been included in the Defense Export Control Act, but that accompanying implementation legislation had not yet entered in to force. Pincu said the GOI had consulted with Germany, the United Kingdom, France, and Japan on its brokering laws, and planned to raise it during the annual defense export control working group to be held in Washington in October. Roey Gilad and other DECD officials also hope to travel to Washington in the near future to further discuss brokering issues.

# China

124. (C) MFA Export Control Director Roey Gilad reiterated that the GOI in no way desires to compromise U.S. national interests with respect to exports to China. He noted, however, that the U.S. Department of Commerce created in 2007 a list of exemptions for certain items if sent to validated end users in China. Gilad questioned whether the same exemptions might be possible for Israel. As it currently stands, the GOI must pursue any export to China through the bilateral statement of understanding with the United States. While the statement calls for expeditious resolution of any requests to export to China, it often takes up to 80 days to obtain approval. By that time, Gilad said, China has often found the item through another supplier. Moreover, the Israeli export control system requires a 20-working day turn-around on all export license requests -- which is not possible, given the length of time required to obtain an answer from the United States. A/S Shapiro offered to raise the issue in Washington.

JPMG

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125. (SBU) A/S Shapiro suggested the next session of the Joint Political Military Group (JPMG) convene shortly after the

Jewish holidays, most likely in October or early November. GOI officials agreed in principle, and will look at the calendar and propose dates.

126. (U) A/S Shapiro has cleared this cable.

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